GOVERNMENT OF ANDHRA PRADESH

A B S T R A C T

Development of new Greenfield No-frills Airport at Dagadarthi, SPSR Nellore District – Awarding of work of Airport to M/s.SCL-Turbo Consortium Pvt. Ltd. – Orders - Issued.

ENERGY, INFRASTRUCTURE AND INVESTMENT (AIRPORTS) DEPARTMENT

G.O.Rt.No.148 Dated 15.09.2017.

Read the following:

1) G.O.Ms.No.2, Energy, I & I Dept., dt.13.5.2015.
2) From the Managing Director, BIACL, Hyderabad Lr. No.118/BIACL/DGD Airport/2016, Dt.12.05.2017.

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O R D E R

Government of Andhra Pradesh intends to develop the Aviation sector in the State by establishing new Greenfield Airports to increase air connectivity and trigger economic development in the region. In order to achieve this, Government of A.P. has planned to construct Dagadarthi Airport, a Greenfield low cost No-frills Airport in SPSR Nellore District of Andhra Pradesh on Public-Private-Partnership (PPP) basis.

2. The Government of India, Ministry of Civil aviation had granted the site clearance for the project in December 2015 and 'in-principle' approval in October 2016 for development of Dagadarthi Airport.

3. In the reference 1st read above, Government has constituted the Technical Committee to deal with review and approval of EOI Documents and selection of Technical Consultants and approval of Technical reports i.e. feasibility reports, TEFR, DPR and EIA reports etc. prepared by the Technical consultants and Empowered Committee to review bidding documents for selection of developer, such as Request for Qualification, Request for Proposal & Concession Agreement and shall make recommendations for selection of developers.

4. The Managing Director, BIACL has stated that in respect of No-frills Greenfields Airports at Dagadarthi in Nellore District and Orvakal in Kurnool District, the draft RFPs along with Concession Agreements were placed before the A.P. Infrastructure Authority which met on 08-01-2016 and the APIA has considered the draft RFPs and made certain observations and suggested for appropriate action/modification in the documents. The APIA also observed that subject to the modifications, the documents can be released for open competitive bidding for selection of private developer(s) for developing the Greenfield airports at Dagadarthi in Nellore district and at Orvakal in Kurnool district respectively and the RFP Notification has been issued for publication in leading Newspapers inviting proposals from private developers.

5. Two bids have been received on the bid due date i.e. 07.06.2016. The Technical Committee selected M/s SCL – Turbo Consortium as responsive Bidder and the bid submitted by V2C Aviation Pvt. Ltd., as non-responsive.

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6. The Empowered Committee met on 26-4-2017 and deliberated regarding selection of developer for development of Dagadarthi Airport, SPSR Nellore District. The Empowered Committee after discussing the revised offer of the bidder, has observed the following:

a) The extra land other than what is required for the Airport and earmarked for future expansion as per the RFP will be provided only after the Commercial Operation Date of the project.

b) The bidder will also be asked to provide the details of the Master Plan for the utilization of the land for aeronautical and non-aeronautical purposes in his Master Plan.

c) The bidder will be asked to provide a detailed plan for achieving financial closure for the project, including details of the current net-worth of the Consortium members, latest balance sheets, cash positions and plan for raising the debt for the project execution.

d) It was noted that the Draft Concession Agreement permits assignment of rights, charges and benefits only with the prior consent of the Authority as per clause 45.1 & 45.2. It was decided that the letter of award, subject to the above requirements being fulfilled may be issued to the bidder only after obtaining the Security Clearance from Ministry of Home Affairs and upon approval of the competent authorities.

7. **Salient Features of the Project:**

a) Dagadarthi Airport is a low cost no-frills airport proposed to be developed in the SPSR Nellore district of Andhra Pradesh on public-private- partnership (PPP) basis.

b) About 1352 acres of land has been earmarked for the project.

c) The Master Plan for the airport envisages a handling capacity of 0.5 million passengers per annum in Phase-I (till 2030) and 1.9 million passengers per annum in Phase-II (till 2045).

d) The SCL-TURBO Consortium envisaged a total investment of Rs.368.38 crores in the initial phase instead of the total estimated projected cost of Rs. 224 crores.

e) Concession to Consortium is for 66 years commencing from the appointed date with option of extension of additional 33 years. (66+33).

f) The SCL-TURBO Consortium offered to give a premium (Revenue Share) of 9% after 15th anniversary (i.e., from 16th anniversary) of the commissioning of Airport. The same will be escalated by 1% every year subject to ceiling of 30%.

g) The Concessionaire shall pay to the Authority an annual lease rental of Rs.1000/- per acre per annum incremented annually at the rate of 6%.

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h) The Consortium proposed to develop the airport for operation of 4E aircraft instead of 4C category of aircraft with a total passenger handling capacity of 1.26 million with main focus on cargo operations and revenue generation.

8. The MD, BIACL in the reference 2nd read above, has reported that the Security Clearance for SCL-Turbo consortium has been received from the Govt. of India.

9. Government after careful examination of the proposal of the Managing Director, BIACL hereby accord and order the following:

a) Awarding of the Project for development of No-frills Green Field Airport at Dagadarthi in SPSR Nellore District to M/s. SCL-Turbo Consortium Pvt. Ltd.

b) Approve the Draft Concession Agreement.

c) Accept the revised financial offer of SCL-Turbo Consortium Pvt. Ltd., Premium (Revenue Share) of 9% to commence after 15th anniversary (i.e., from 16th anniversary) of the commissioning of airport with an escalation of 1% every year subject to ceiling of 30%.

d) The Concessionaire shall pay to the Authority an annual lease rental of Rs.1000/- per acre per annum incremented annually at the rate of 6%.

10. The Managing Director, BIACL shall take further action in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

AJAY JAIN
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Managing Director, BIACL, Hyderabad.
The District Collector, SPSR Nellore District.

Copy to:
P.S., to Prl. Secretary to C.M.
P.S., to Prl. Secretary to E, I&I Department.
The Finance Department.
The Law Department
The G.A. (Cabinet) Department.
Sc/Sf.

// Forwarded :: By order //

SECTION OFFICER